

MORE MEN AND WOMEN WEAR BOND CLOTHES THAN ANY OTHER CLOTHES IN AMERICA
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annual report

YEAR ENDED DECEMBER 31, 1951

BOND STORES, INCORPORATED

OFFICERS

BARNEY RUBEN	<i>Chairman of the Board and President</i>
IRVING COHEN	<i>Vice-President</i>
JAMES W. CONNORS	<i>Vice-President</i>
SYLVAN N. KING	<i>Vice-President</i>
IRVING MOSELOWITZ	<i>Vice-President</i>
LOUIS A. GOOD	<i>Vice-President</i>
MAURIE SANGER	<i>Vice-President</i>
LOUIS B. BERMAN	<i>Vice-President</i>
WILLIAM B. LOFTUS	<i>Vice-President</i>
ELLIS H. SCHECHTMAN	<i>Secretary and Treasurer</i>
CARL F. KLEMENGER	<i>Assistant Secretary</i>

BOARD OF DIRECTORS

BARNEY RUBEN	ELLIS H. SCHECHTMAN
IRVING COHEN	MAURIE SANGER
JAMES W. CONNORS	JOHN M. HANCOCK
SYLVAN N. KING	JOSEPH KLINGENSTEIN
IRVING MOSELOWITZ	HERBERT H. MAASS*

*Resigned as of Dec. 31, 1951

TRANSFER AGENT

BANK OF THE MANHATTAN COMPANY
40 Wall Street • New York 5, N. Y.

REGISTRAR

BANKERS TRUST COMPANY
46 Wall Street • New York 5, N. Y.

This report to stockholders is published solely for the purpose of providing information. It is not part of the proxy soliciting material being sent to stockholders, and is not to be used as such; nor is it a representation, prospectus or circular in respect of any stock or security of any corporation and is not transmitted in connection with any sale, negotiation for the sale, or offer to sell or buy, or to induce the purchase, of any stock or security.

BOND STORES, INCORPORATED

380 FIFTH AVENUE AT 35TH

NEW YORK 18, N. Y.

DEAR STOCKHOLDER:

Results of operations for 1951 compared with 1950 reflect considerable improvement, not only in higher net profits despite higher taxes, but in comparative cash and inventory position as well.

Evidence of an accelerated consumer demand for wearing apparel became apparent in mid-year 1950. This condition continued into the first quarter of 1951. Because of market conditions reflecting in increasing prices as well as the possibility of raw material shortage, your Company, during 1950, made substantial purchases of merchandise and raw material in order to insure its ability to sufficiently fulfill anticipated consumer demand. As a result, at year-end 1950 inventory was approximately \$5,500,000 more than it was at the end of the preceding year. The consumer demand declined late in the first quarter of 1951 and continued throughout the industry to a much greater degree than experienced by your Company on a store for store basis. Despite declining volume, your Company succeeded at year-end in establishing an improved ratio of inventory to sales, taking into consideration inventory requirements for additional stores opened during the year and in keeping with current conditions. Further improvement has been made during January and February 1952 in the reduction of inventory.

During 1951 your Company opened ten new stores to bring the total in operation at year-end to 80.

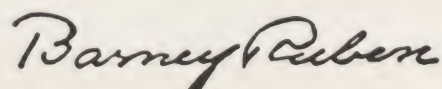
Your management, while not given to making predictions, is of the opinion that the Apparel Industry must very shortly come into its own. This opinion is based on the following facts. Employment at high wages is at a near record high, savings related to disposable income is at its highest level since 1945, there has been curtailment of production of consumer hard goods; the buying public has made substantial strides toward liquidating its indebtedness for earlier purchases of such goods, and consumer owned inventory of soft goods purchased in quantity in prior years now requires replenishing. Should this condition come to pass, your Company is in a most advantageous position (plant capacity, stores, agencies, excellent values in desirable inventory and advertising) to fulfill consumer requirements.

No annual report to stockholders would be complete without a word of appreciation to employees in our factories and stores for their loyalty and cooperation during the past year. Also, to our many suppliers of raw materials and finished products whose friendly relationship has contributed to our ability to maintain our policy of offering to the public outstanding values in quality merchandise.

We present on the following pages Financial Statements for the year 1951 and "Facts in Brief", which set forth other matters which I trust will be of interest to you.

Respectfully submitted,

March 24, 1952.



President

facts in brief

SALES

Total sales for the year 1951 amounted to \$78,749,729.50 compared with sales of \$76,213,726.43 during the preceding year, an increase of \$2,536,003.07. Contributing toward this sales rise of 3.3% were the volumes of business transacted in 10 new stores opened at various times during the year. In view of conditions generally prevailing throughout the Apparel Industry, consumer acceptance of your Company's products and merchandise is considered satisfactory.

EARNINGS AND DIVIDENDS

Net earnings for the year after provision for Federal Income taxes was \$3,378,009.02 compared with \$3,175,254.23 for the preceding year. This is equal to \$2.00 per share on the outstanding Common shares as compared with \$1.88 per share earned in the preceding year. Federal taxes on income for the year amounted to \$3,406,000.00 as compared with \$2,319,775.00 in the preceding year, an increase of \$1,086,225.00.

CURRENT POSITION

Merchandise inventories at the year end were somewhat lower than last year. In addition to inventory at our factories, such inventory is distributed in 10 additional stores this year as compared with last year, and is therefore considerably lower on a 'per store' basis both as to units and dollars. Commitments at the year end were likewise substantially lower than at the same period last year. Net working capital amounted to \$30,503,811.01; the ratio of current assets to current liabilities was 4.5. The parent Company continues to have no bank debt and no funded debt, and has no present intention of borrowing. The book value per share of the Common stock was \$25.69. Such book value on December 31st, 1950 was \$24.69.

STORES

During 1951, ten new stores were opened, to bring the total in operation at year-end to 80. These are, Chicago, Illinois (3) stores, one in Glendale and one in the Crenshaw area of Los Angeles, California; Kankakee, Illinois; Muskegon, Michigan; Clayton, Missouri; Lincoln, Nebraska; and a retail store at our Style Manor plant in Rochester, New York.

In accordance with current Company policy expressed in the Annual Report for year ended December 31st, 1950, stockholders will be interested to know that eight of these stores were opened with no capital outlay by the Company. The remaining two stores (Crenshaw and Style Manor) were opened with a capital outlay of less than \$100,000. The greater part of such expenditure was invested at Style Manor. As of this date there are four additional stores to be opened during 1952 on the same basis, that is, no capital outlay on the part of the Company.



Bond

serves the
entire family

FRANCHISE STORES

During the year additional established representative retail clothing stores were licensed to handle Bond Clothes products exclusively, bringing the total at year-end to 15. A number of these having been opened in the Spring of 1951 were reported to stockholders in our last year's Annual Report. Operations of these stores to date has been satisfactory and it is intended to continue further expansion efforts in this field.

ADVERTISING

Because of extreme competition for consumer interest and patronage, your Company has realigned its advertising program. In addition to augmenting its local newspaper advertising programs with additional radio and television broadcasts in a number of communities, your Company has undertaken a powerful advertising campaign in Life magazine, which has been coordinated with its window and interior store displays.

GOVERNMENT CONTROLS

Consistent with market conditions and Company policy of offering outstanding values in quality merchandise, retail prices were maintained during the year below mandatory price ceilings.

GENERAL

The need for careful scrutiny of Company policy remains constant. In furtherance of this requirement, Management is continuing to watch for, and to anticipate, changing conditions in the best interest of its customers. Your Company—among other things—is in the process of increasing its production of 2 trouser suits, for which the Company feels there is a noticeable demand and with which selling policy your Company enjoyed marked success in the past. With the advent of such larger 2 trouser suit inventory and its effect on available space in certain of the Company's smaller stores, Management has found it necessary to discontinue ladies' apparel in such stores.

**BOND STORES, INCORPORATED AND
CONSOLIDATED BALANCE SHEET**

ASSETS

Current Assets:

Cash on hand and in banks		\$4,835,507.65
Accounts receivable—customers	\$12,667,847.74	
Less: Reserve for doubtful accounts	302,535.56	12,365,312.18
Miscellaneous accounts receivable, sales tax stamps, etc.		157,248.26
Merchandise inventories—Note A:		
Woolens, trimmings, etc.	2,725,849.71	
Work in process	1,537,205.56	
Finished goods	17,517,394.83	21,780,450.10
Total Current Assets		39,138,518.19

Miscellaneous Other Assets		245,180.09
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Fixed Assets—at cost—Note B:

Land and buildings	\$16,441,679.67	
Less: Reserves for depreciation	2,165,194.23	14,276,485.44
Machinery, furniture, fixtures and equipment	6,050,862.26	
Less: Reserves for depreciation	2,347,525.84	3,703,336.42
Alterations, improvements and leaseholds	6,187,834.65	
Less: Reserves for amortization	1,409,227.96	4,778,606.69
		22,758,428.55

Deferred Charges:

Prepaid rent and advances to landlords on improvements		
to leased properties	1,482,312.03	
Unexpired insurance and other prepaid expenses	571,079.34	2,053,391.37
		<u>\$64,195,518.20</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

D WHOLLY-OWNED SUBSIDIARIES

T AS AT DECEMBER 31, 1951

LIABILITIES

Current Liabilities:

Accounts payable	\$1,487,473.61
Deposits, due to customers, etc.	868,210.58
Accrued salaries, taxes other than Federal taxes on income, expenses, etc.	2,505,656.01
Reserve for Federal taxes on income—Note C	3,419,101.61
Mortgages and mortgage bonds payable—current installments—Note B	354,265.37
Total Current Liabilities	<u>8,634,707.18</u>

Mortgages and Mortgage Bonds Payable by Subsidiaries—Note B	\$12,530,125.84	
Less: Current installments shown above	<u>354,265.37</u>	12,175,860.47

Capital Stock and Surplus:

Preferred Stock—	<u>Shares</u>		
par value \$100.00 per share:			
Authorized—to be issued in series as designated by the Board of Directors	100,000		
Retired and cancelled	<u>60,000</u>		
Authorized—but not designated	<u>40,000</u>		
Common Stock—			
par value \$1.00 per share:			
Authorized	<u>2,500,000</u>		
Issued and outstanding	<u>1,688,383</u>	1,688,383.00	
Capital Surplus (no change during the year)	\$11,596,135.77		
Earned Surplus—Exhibit B	<u>30,100,431.78</u>	<u>41,696,567.55</u>	43,384,950.55
			<u>\$64,195,518.20</u>

rt of this statement and should be read in conjunction herewith.

BOND STORES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1951

Sales		\$78,749,729.50
Cost of goods sold, and stores and general and administrative expenses, exclusive of depreciation and amortization		71,419,145.34
		<u>7,330,584.16</u>
Add:		
Income from real estate operations of certain subsidiaries, before deducting depreciation—Note D	\$268,826.20	
Other income	485,647.70	754,473.90
		<u>8,085,058.06</u>
Deduct:		
Depreciation and amortization		1,301,049.04
Net income before Federal taxes on income		6,784,009.02
Provision for Federal taxes on income—Note C		3,406,000.00
		<u>3,378,009.02</u>
Net income		3,378,009.02
Earned Surplus as at December 31, 1950		28,410,805.76
		<u>31,788,814.78</u>
Dividends on Common Stock		1,688,383.00
Earned Surplus as at December 31, 1951—Exhibit A		<u>\$30,100,431.78</u>

The Notes to Consolidated Financial Statements are an integral
part of this statement and should be read in conjunction herewith.

BOND STORES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 1951

- NOTE A: Merchandise inventories are stated at or below the lower of cost (prime cost as to goods manufactured by the Corporation, retail inventory method as to furnishings and invoice cost as to other merchandise, substantially on the "first-in, first-out" basis) or replacement market. These methods for pricing the merchandise inventories are consistent with the practice of prior years.
- NOTE B: Land in the amount of \$5,806,965.27 and buildings in the amount of \$10,634,714.40, totaling \$16,441,679.67, are comprised principally of property located at 45th Street and Broadway, New York City, owned by Adda, Inc., a wholly-owned subsidiary; properties in Rochester, New York, including the factories owned by Style Manor, Inc., a wholly-owned subsidiary; property located in Chicago, Illinois, owned by Stajac, Inc., a wholly-owned subsidiary; a factory in New Brunswick, New Jersey; and the shirt factories, owned by wholly-owned subsidiaries. The property owned by Adda, Inc., a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$3,124,738.20, payable in quarterly installments to December 13, 1959. The property located in Chicago, Illinois, owned by Stajac, Inc., a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$3,230,000.00, payable in quarterly installments to December 17, 1967. The factories located in Rochester, New York, owned by Style Manor, Inc., a wholly-owned subsidiary, are subject to a first mortgage in the amount of \$5,987,000.00, payable in quarterly installments to December 15, 1968. The property located in Syracuse, New York, owned by Syrabond Realty Corporation, a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$188,387.64, payable in monthly installments to July 1, 1964. At each of the said dates the unamortized balance of the respective mortgage becomes due and payable. The Corporation is not liable under any of such mortgages, being in each case a lessee of the property, or a substantial part thereof, under a long-term lease; such leases are assigned as security under the mortgages, respectively.
- NOTE C: The Federal income and excess profits tax returns of the Corporation have been examined up to and including the year ended December 31, 1948 and all assessments have been paid or provided for. The Corporation has filed claims under Section 722 of the Internal Revenue Code for refund of a substantial amount of excess profits taxes for the years 1940 to 1945, inclusive. No effect has been given to these claims in the accompanying financial statements. The accompanying financial statements are subject to final determination of Federal, state and local taxes.
- NOTE D: This item includes inter-company rental on property partly occupied by the parent company.
- GENERAL: The stockholders at their meeting on April 10, 1951 approved a proposal authorizing the Board of Directors to grant options to officers, executives and key employees of the Corporation and its subsidiaries to purchase an aggregate of not exceeding 300,000 shares of Common Stock of the Corporation at a price representing 85% of the fair market value at the time the option is granted. The Board of Directors has taken no action upon the foregoing proposal. As at December 31, 1951, the aggregate minimum annual rental upon real property leases, other than inter-company leases, expiring after December 31, 1954 amounted to approximately \$1,860,000.00. Certain of these lease agreements provide for additional rentals based on sales or for payment of certain expenses, such as real estate taxes and maintenance costs.

ACCOUNTANTS' REPORT

To the Board of Directors,
BOND STORES, INCORPORATED,
New York, N. Y.

We have examined the consolidated balance sheet of Bond Stores, Incorporated and wholly-owned subsidiaries as at December 31, 1951 and the related consolidated statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of income and earned surplus, together with the notes to consolidated financial statements, present fairly the consolidated financial position of Bond Stores, Incorporated and wholly-owned subsidiaries at December 31, 1951, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

S. D. LEIDESDORF & CO.

New York, N. Y.
March 24, 1952



BOND STYLE MANOR...The nation's largest and most modern tailoring plant. Rochester, N. Y., is world-famous for its superior quality clothing. At Style Manor, thousands of Rochester's most skilled craftsmen apply their deft fingers to the tailoring of Bond Clothes.



BOND'S TIMES SQUARE LANDMARK

Fronting the entire block from 44th to 45th Street on Broadway, in the heart of Times Square in New York City, this Bond wholly-owned impressive structure, with the world's largest Spectacular sign atop the roof of the building, known all over the world, houses one of Bond's largest and most successful clothing stores.

BOND'S NEW FACTORY STORE

Located at Style Manor, Rochester, New York, consisting of 15,000 square feet of selling space, this store is equipped with every convenience and comfort for modern shopping, including large parking facilities. Open every evening.



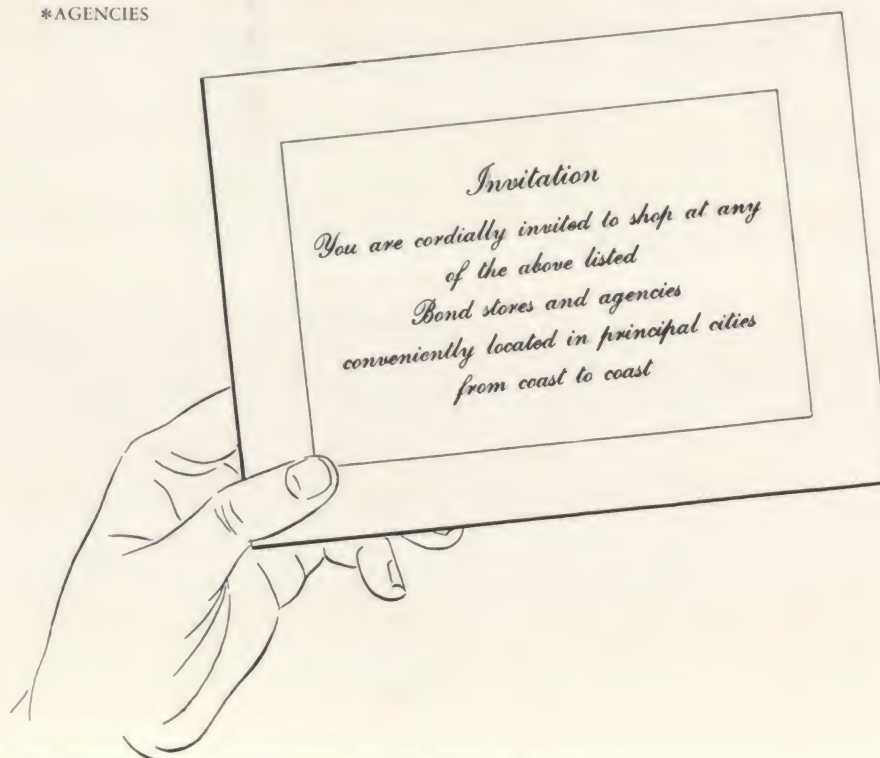
more men and women wear Bond clothes than any other clothes in America

BOND STORES AND AGENCIES ARE LOCATED IN THE FOLLOWING CITIES

AKRON, OHIO	GLENDAL, CALIF.	OAKLAND, CALIF.
ALBANY, N. Y.	*GREENVILLE, S. C.	OKLAHOMA CITY, OKLA.
ALTON, ILL.	HARRISBURG, PA.	OMAHA, NEB.
*ASBURY PARK, N. J.	HARTFORD, CONN.	PATERSON, N. J.
ATLANTA, GA.	HOLLYWOOD, CALIF.	PHILADELPHIA, PA.
*AUGUSTA, GA.	HOUSTON, TEXAS	PITTSBURGH, PA.
BALTIMORE, MD.	HUNTINGTON PARK, CALIF.	*POTTSTOWN, PA.
BIRMINGHAM, ALA.	*JACKSONVILLE, FLA.	PROVIDENCE, R. I.
BOSTON, MASS.	JERSEY CITY, N. J.	*RACINE, WISC.
BUFFALO, N. Y.	KANKAKEE, ILL.	READING, PA.
CHICAGO, ILL. (8 stores)	KANSAS CITY, MO.	ROCHESTER, N. Y. (2 stores)
CINCINNATI, OHIO	LINCOLN, NEB.	SAN FRANCISCO, CALIF.
CLAYTON, MO.	LORAIN, OHIO	SAVANNAH, GA.
CLEVELAND, OHIO	LOS ANGELES, CALIF. (3 stores)	SCHENECTADY, N. Y.
COLUMBUS, OHIO	LOUISVILLE, KY.	SCRANTON, PA.
*CORPUS CHRISTI, TEXAS	*LYNCHBURG, VA.	SPRINGFIELD, MASS.
DALLAS, TEXAS	*MANCHESTER, N. H.	ST. LOUIS, MO.
DAYTON, OHIO	MEMPHIS, TENN.	SYRACUSE, N. Y.
DES MOINES, IOWA	MILWAUKEE, WISC.	TOLEDO, OHIO
DETROIT, MICH. (2 stores)	MUSKEGON, MICH.	TRENTON, N. J.
*ELMIRA, N. Y.	NEWARK, N. J.	*UPPER DARBY, PA.
FALL RIVER, MASS.	NEW BRUNSWICK, N. J.	WASHINGTON, D. C.
FLINT, MICH.	NEW HAVEN, CONN.	WILKES-BARRE, PA.
GERMANTOWN, PA.	NEW YORK, N. Y. (9 stores)	YOUNGSTOWN, OHIO

Factories in Rochester, N. Y. and New Brunswick, N. J.

*AGENCIES



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